

KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

NOTICE OF EXTRAORDINARY GENERAL MEETING **(PURSUANT TO SECTION 101 OF THE COMPANIES ACT, 2013)**

NOTICE IS HEREBY GIVEN THAT THE EXTRA-ORDINARY GENERAL MEETING (EGM) OF THE MEMBERS OF KUMBHAT FINANCIAL SERVICES LIMITED, WILL BE HELD ON MONDAY, MAY 10, 2021 AT 11:30 A.M. (IST) THROUGH VIDEO CONFERENCE (VC)/ OTHER AUDIO VISUAL MEANS (OAVM) FACILITY TO TRANSACT THE FOLLOWING SPECIAL BUSINESS:

SPECIAL BUSINESS:

1. Increase in Authorized Share Capital and consequent alteration to Memorandum of Association of the Company

To consider and, if thought fit, to pass the following resolution , with or without modification , as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ('Companies Act'),

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), such other statutes, laws, regulations, notifications and clarifications as applicable from time to time and the provisions of Memorandum and Articles of Association of the company and subject to such other approvals/ consents/ permissions/ sanctions, if any, including approval Securities and Exchange Board of India ('SEBI'), Stock Exchange and other appropriate statutory authorities, institution or bodies, as the case may be necessary in this respect, the consent of the Members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs.10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000/- (One Crores) equity shares of Rs. 10/- (Rupees Ten) each, to Rs.15,00,00,000 (Rs. Fifteen crores) divided into 1,50,00,000 (one crore fifty lakhs) equity shares of Rs.10/- (Rupees 10)each by creation of additional 50,00,000 (Fifty lakhs) equity shares of ₹ 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the Memorandum of Association of the Bank be and is hereby altered by substituting the existing Clause V thereof by the following new 'Clause V':

“The Authorised Share Capital of the company is Rs.15,00,00,000 (Rs. Fifteen Crores) divided into 1,50,00,000 (one crore fifty lakhs) Equity Shares of Rs.10/- (Rupees 10)each. The Company has the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital for the time being into other

KUMBHAT FINANCIAL SERVICES LIMITED

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classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorized to take all such steps and actions including but not limited to filing necessary forms with the Registrar of Companies and/ or other regulatory authorities, to provide a copy of the resolution certified to be true and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

2. ISSUE OF 90,00,000 EQUITY SHARES ON PREFERENTIAL BASIS

To consider and if thought fit to pass the following resolution with or without modification, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42 and Section 62(1)(c) of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and subject to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended up to date ("SEBI (LODR) Regulations"), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations") as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India ("SEBI") and/ or the stock exchanges where the shares of the Company are listed and enabling provisions of the memorandum and articles of association of the Company and subject to requisite approvals, consents, permissions and/ or sanctions of regulatory and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or sanctions (including but not limited to approval from the Competition Commission of India) and which may be agreed to, by the board of directors of the Company ("Board", which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorised by the Board or its committee for such purpose) and subject to any other alterations, modifications, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent and approval of the members of the Company be and is hereby granted to Board to create, offer, issue and allot on a preferential basis 90,00,000 equity shares of face value Rs. 10/- each ("Equity Shares") for cash at a price of Rs. 10/- for a total consideration of up to Rs. 9,00,00,000, determined in accordance with the relevant provisions of Chapter V of SEBI ICDR Regulations, in such manner and on such other terms and conditions, as may be approved or finalized by the Board, to the following 'Proposed Allottees' as detailed herein below :

Regd Office: 5th Floor Kumbhat Complex, No.29 Rattan Bazaar, Chennai - 600003

Ph : 044 - 2533 2173, Email: cs@kumbhatfinancialserviceslimited.com

KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

Name of Proposed Allottees	Category	No. of shares
Sunil Khetpalia	Public	42,75,000
Maneesh Parmar		42,75,000
Ravindran R		4,50,000
Total		90,00,000

RESOLVED FURTHER THAT in accordance with the provision of Chapter V of the SEBI (ICDR) Regulations the "Relevant Date" for the purpose of calculating the floor price for the issue of equity shares be and is hereby fixed as Friday, April 9, 2021 i.e 30 days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of equity shares to be allotted in terms of this resolution shall be subject to applicable laws as well as the Memorandum and Articles of Association of the Company and shall be made fully paid up at the time of allotment and shall rank pari-passu with the existing equity shares of the Company in all respects and the same shall be subject to lock-in for such period as may be prescribed under Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

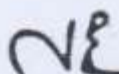
RESOLVED FURTHER THAT the aforesaid issue of Equity Shares shall be subject to the following terms and conditions:

- a) The pre-preferential shareholding of the proposed allottees, if any, and equity shares to be allotted shall be under lock-in for such period as may be prescribed under Chapter V of the SEBI ICDR Regulations; and
- b) The equity shares so allotted to the proposed allottees under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under

RESOLVED FURTHER THAT the equity shares shall be issued and allotted by the Company to the Proposed Allottees in dematerialized form within a period of 15 (Fifteen) days from the date of receipt of Members' approval, provided that, where the issue and allotment of the said equity shares is pending on account of pendency of any approval by any Regulatory Authority (including, but not limited to the BSE Limited and/or SEBI) or the Government of India, the issue and allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

RESOLVED FURTHER THAT the equity shares issued to the Proposed Allottees shall be listed on the stock exchanges where the existing equity shares of the Company are listed.

RESOLVED FURTHER THAT the monies received by the Company from the Proposed Allottees for application of the equity shares pursuant to this preferential



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issue shall be kept by the Company in a separate account opened by the Company for this purpose and shall be utilized by the Company in accordance with the provisions of the Companies Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make an offer to the Proposed Allottees through private placement offer letter in Form PAS - 4 as prescribed under the Companies Act after passing of this resolution with a stipulation that the allotment would be made only upon receipt of in-principle approval from the Stock Exchange i.e., BSE Limited, receipt of the consideration as aforesaid and within the timelines prescribed under the applicable laws.

RESOLVED FURTHER THAT without prejudice to the generality of the above resolution, the issue of the equity shares shall be subject to the following terms and conditions in addition to the terms and conditions as contained in the Statement under Section 102 of the Companies Act annexed hereto, which shall be deemed to form part hereof:

[a] The Proposed Allottees of equity shares shall be required to bring in 100% of the consideration, on or before the date of allotment thereof;

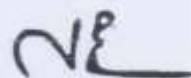
[b] The consideration for allotment of equity shares shall be paid to the Company by the Proposed Allottees from their respective bank accounts; and

[c] Allotment of equity shares shall only be made in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all such actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid shares and listing thereof with the Stock Exchanges as appropriate, filing requisite documents with the Registrar of Companies, Depositories and/ or such other authorities as may be necessary for the purpose, to decide and approve the other terms and conditions of the preferential issue of the aforesaid equity shares, to vary, modify or alter any of the terms and conditions, subject to the provisions of the Companies Act, the SEBI ICDR Regulations and/ or any other laws and regulations, and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment, utilization of issue proceeds, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors/ Officers of the Company (as it may consider appropriate) to give effect to the aforesaid resolution."

For Kumbhat Financial Services Limited



Sanjay Kumbhat
(Managing Director)
(DIN: 03077193)

Date: 31/03/2021
Place : Chennai

KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

NOTES:

1. The Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business set out in the Notice is annexed. The Notice of EGM shall be electronically dispatched to all the shareholders as on Friday, March 26, 2021.

2. Pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars") and subsequent circulars thereof in this regard, the companies are allowed to hold EGM through VC, without the physical presence of members at a common venue. The deemed venue for EGM shall be the Registered Office of the Company. Hence, in compliance with the Circulars, the EGM of the Company is being held through VC.

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs and subsequent circulars thereof in this regard, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM through VC/OAVM and participate thereat and cast their votes through e-voting.

4. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs and subsequent circulars thereof in this regard physical attendance of the Members to the EGM venue is not required. Hence, Members have to attend and participate in the ensuing EGM through VC/OAVM.

5. Participation of members through VC will be reckoned for the purpose of quorum for the EGM as per section 103 of the Companies Act, 2013 ("the Act").

6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the EGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal / e-voting portal.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, will be available electronically for inspection by the members during the EGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of EGM, i.e. May 10 2021.

8. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DP).

9. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility

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to its members to exercise their votes electronically through the remote e-voting facility provided by the Central Depository Services (India) Limited (CDSL). Members who have cast their votes by remote e-voting prior to the EGM may participate in the EGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

10. The Board has appointed Mr. N.K Bhansali Practicing Company Secretary (Membership No. FCS 3942), as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman of the Company (the Chairman) or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the EGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the EGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges and will also be displayed on the Company's website, www.kumbhatfinancialserviceslimited.com

11. The facility for voting during the EGM will also be made available. Members present in the EGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the EGM.

12. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request to RTA. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

13. In compliance with the Circulars, the Notice of the EGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

14. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, to receive copies of the notice in electronic mode.

15. Members may also note that the Notice of EGM will be available on the Company's website at www.kumbhatfinancialserviceslimited.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the EGM) i.e. www.evotingindia.com.

16. Since the EGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

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17. Instructions for e-voting :

The remote e-voting period commences on Thursday, May 6, 2021 (9:00 a.m. IST) and ends on Sunday May 09, 2021 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on 3 May, 2021 may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on May 3, 2021.

The details of the process and manner for remote e-voting are explained below:

- i. Log-in to the CDSL e-voting website at www.evotingindia.com
- ii.. Click on "Shareholders" module
- iii. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv.. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>*In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</p>

vii.. After entering these details appropriately, click on "SUBMIT" tab.

viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through

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KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix.. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Click on the EVSN (210407003) for the relevant on which you choose to vote.

xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv.. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. Note for Non – Individual Shareholders and Custodians

i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

iv. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xviii. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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xix. If you have any queries or issues regarding attending EGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

18. Instructions for participation through VC

1. Shareholder will be provided with a facility to attend the EGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN (210407003) of Company will be displayed.
2. The facility of joining the EGM through VC / OAVM will be opened 15 minutes before and after the scheduled time of the commencement of the Meeting and the facility of participation at the EGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/EGM without restriction on account of first come first served basis.
3. Members can participate in the EGM through their desktops / smartphones / laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops / laptops with high-speed internet connectivity.
4. Please note that participants connecting from mobile devices or tablets, or through laptops via mobile hotspot may experience audio / video loss due to fluctuation in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any of the aforementioned glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **3 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at email id: cs@kumbhatfinancialserviceslimited.com
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the EGM

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to murali@cameoindia.com

KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to murali@cameoindia.com.

3.The RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

II. ANNEXURE TO THE NOTICE : Explanatory Statement [Pursuant to Section 102(1) of the Companies Act, 2013] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Item No. 1

To increase the Authorized Share Capital of the Company and consequent alteration of the Memorandum of Association of the Company

The existing authorized share capital of the Company is only Rs. 10,00,00,000 /- (Rupees Ten crore only) comprising of 1,00,00,000 (One crore) equity shares of 10/- (Rupees Ten only) each.

In order to meet company's growth objectives, business expansion plans and to further strengthen its financial position, it is felt necessary to infuse additional funds in the form of further capitalization and to generate long term resources by issuing securities. Considering the proposed issue and allotment of equity shares on preferential basis as enumerated in Item No. 2 and in view to have an adequate Authorized Share Capital, it is proposed to appropriately increase the Authorized Share Capital of the company. The Authorized Share Capital of the company pre and post Increase would be as under:

Type	Face Value	Pre - Increase		Post - Increase	
		Existing Capital	Authorized Share	Authorized Share	Capital
		No. of shares	Amount (rs.)	No. of shares	Amount(Rs.)
Equity Shares	10	1,00,00,000	10,00,00,000	1,50,00,000	15,00,00,000

Further, consequent to the aforesaid, the Memorandum of Association of the Company is proposed to be suitably altered. The provisions of the Companies Act, 2013 requires the company to seek the approval of the Members for increasing of the Authorized Share Capital and for the alteration of Capital Clause of the Memorandum of Association of the Company.

Copies of documents relevant to this Resolution including a copy of the amended Memorandum and Articles of Association of the company shall be made available on the website of the Company at www.kumbhatfinancialserviceslimited.com and upon Log-in at www.evotingindia.com to facilitate online inspection of relevant documents until Monday, May 10, 2021.

KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the resolution, except to the extent of their shareholding in the Company, if any.

The Board of Directors recommend passing of the Ordinary Resolution as set out in Item No. 1 of this Notice.

Item No.2

ISSUE OF 90,00,000 EQUITY SHARES ON PREFERENTIAL BASIS

The board of directors of the Company ("Board") in their meeting held on Wednesday, March 31, 2021 subject to necessary approval(s), have approved the proposal for raising of funds for an amount not exceeding Rs.9,00,00,000 by way of issue of 90,00,000 Equity shares having face value of Rs.10/- each as per the resolution proposed above in this regard.

a) Objects of the Preferential Issue:

The main object of the preferential issue is augmentation of the funds required by the Company for carrying out its business activities. The proposed funds infusion will enable the Company to carry out its lending activities and generate income.

b) Maximum number of equity shares to be issued:

The proposed resolution authorises the Board to offer, issue and allot **90,00,000** fully paid-up equity shares of face value of Rs. 10/- each.

c) Name of the proposed Allottees and percentage of his shareholding post allotment:

Name of the proposed Allottees	Category	Shareholding post allotment	
		Equity Shares	^ %
Sunil Khetpalia	\$ Public	42,75,000	31.09
Maneesh Parmar		42,75,000	31.09
Ravindran R		4,50,000	3.27
Total		90,00,000	65.45

^ Calculated on the Emerging Voting Share Capital of the Company, i.e. 1,37,50,000 Equity Shares

\$ The proposed allottees have triggered open offer under regulations 3 & 4 of the extant Takeover Code, 2011 and have made Public Announcement dated March 31, 2021 for the same. Subject to completion of open offer formalities, receipt of various statutory approvals and compliance with regulation 31A of the extant SEBI (LODR) Regulations, 2015, the proposed allottees shall be the

KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

new promoters of the Company and classified under promoter group category accordingly.

The proposed Allottees do not hold any Equity Shares of the Company. They have not sold or transferred any equity shares of the Company during the six months preceding the Relevant Date.

d) Intent of the promoters, directors or key management personnel of the issuer to subscribe to the offer:

None of the promoters, Director or Key Managerial Personnel intends to subscribe to any shares pursuant to this preferential issue of Equity Shares.

e) Issue Price and Relevant Date:

The Equity Shares in the Preferential Allotment shall be allotted at a price of Rs. 10/- (Rupees Ten Only) per equity Share, which is higher than the minimum price determined in compliance with the relevant provisions of Chapter V of the SEBI ICDR Regulations considering the Relevant Date as Friday, April 9, 2021; being the date 30 days prior to the date on which the meeting of shareholders is held to consider the Preferential Issue.

f) Basis on which price has been arrived at:

The Equity Shares of the Company are listed only on BSE Limited (BSE) and are not frequently traded on BSE as per the provisions of Chapter V of the SEBI ICDR Regulations and hence the issue price of Rs. 10/- per equity share has been fixed which is higher than the minimum price determined pursuant to the provisions of Regulation 165 of the SEBI ICDR Regulations after taking into consideration the valuation parameters including Book Value and Market Price approach.

In this regard, as required under Regulation 165 of SEBI ICDR Regulations, the Company has obtained a certificate from Mr. Sanka Hari Surya, an Independent Valuer (Registration No. : IBBI/RV/07/2019/12576) certifying the minimum price to be Rs. 9.64/- (Rupees Nine and Sixty Four Paise) per equity share.

g) Time frame within which the preferential issue shall be completed:

In terms of Regulation 170 of the SEBI ICDR Regulations, preferential allotment of Equity Shares will be completed within a period of 15 (fifteen) days from the date of passing of special resolution.

Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority, if applicable, the allotment would be completed within 15 (fifteen) days from the date of such

KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

approval or within such further period as may be prescribed or allowed by SEBI, stock exchange(s) or other concerned authorities.

The Company is a non deposit accepting NBFC registered with RBI. As per the RBI notification ref no. RBI/2015-16/122-dated 9th July 2015, any substantial change in the shareholding pattern / change in management shall require the prior approval of RBI. Hence the RBI approval is a **deemed statutory approval** under Regulation 170 of the SEBI ICDR Regulations and the Company shall make allotment of Equity Shares after receipt of all the necessary approvals, including RBI approval.

h) Shareholding Pattern of the Company before and after the Preferential Issue:

The shareholding pattern of the Company before the proposed Preferential Issue and after the proposed Preferential Issue, assuming full acceptances, is as follows:

Sr. No.	Category of Shareholders	Pre-Preferential Allotment shareholding (as of 26th March 2021)		Post-Preferential Allotment probable shareholding	
		No. of Shares	% holding	No. of Shares	% holding
A.	PROMOTERS				
1	INDIAN				
a.	Individual / HUF	651,000	13.71	651,000	4.73
b.	Central Government	-	-	-	-
c.	State Government(s)	-	-	-	-
d.	Bodies Corporate	-	-	-	-
e.	Banks / Financial Institutions	-	-	-	-
f.	Any Other	-	-	-	-
	Sub-Total (A)(1)				
2	FOREIGN				
a.	Individuals	-	-	-	-
b.	Bodies Corporate	-	-	-	-
c.	Banks / Financial Institutions	-	-	-	-
d.	Any Other	-	-	-	-
	Sub-Total (A)(2)				
	TOTAL SHAREHOLDING OF PROMOTERS (A) = (A)(1) + (A)(2)	651,000	13.71	651,000	4.73
B.	PUBLIC SHAREHOLDING				
1	Institutions				
a.	Mutual Funds	-	-	-	-
b.	Banks / Financial Institutions	-	-	-	-
c.	Central Government	-	-	-	-
d.	State Government(s)	-	-	-	-
e.	Venture Capital Funds	-	-	-	-
f.	Insurance Companies	-	-	-	-
g.	FII's	-	-	-	-
h.	Foreign Venture Capital Funds	-	-	-	-
i.	Others	-	-	-	-
	Sub-Total (B)(1)				
2	Non-Institutions				
a.	Bodies Corporate (Indian)	191,850	4.04	191,850	1.40
b.	Individuals	3,867,350	81.42	3,867,350	28.13
c.	Proposed Allottees	-	-	9,000,000	65.45
d.	Others	-	-	-	-
i.	Non-Resident Indians	39,600	0.83	39,600	0.29
ii.	Clearing Members	-	-	-	-
iii.	Trusts	200	0.00	200	0.00
iv.	NBFC	-	-	-	-
v.	Investor Education and Protection Fund	-	-	-	-
	Sub-Total (B)(2)	4,099,000	86.29	13,099,000	95.27
	Total Public Shareholding (B) = (B)(1) + (B)(2)	4,099,000	86.29	13,099,000	95.27
C.	SHARES HELD BY CUSTODIAN FOR GDRs AND ADRs				
	GRAND TOTAL (A+B+C)	4,750,000	100.00	13,750,000	100.00

Regd Office: 5th Floor Kumbhat Complex, No.29 Rattan Bazaar, Chennai - 600003

Ph : 044 - 2533 2173, Email: cs@kumbhatfinancialserviceslimited.com

KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

- i) **The identity of the natural persons who are the ultimate beneficial owners of the equity shares proposed to be allotted and /or who ultimately control the proposed allottee and the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:**

Name of the Proposed Allottees	Category	Pre-Preferential Allotment shareholding		* Post-Preferential Allotment shareholding		Ultimate Beneficial Owner
		No. of Shares	% holding	No. of Shares	% holding	
Sunil Khetpalia (PAN: AAFPK9584N)	*Public	NIL		42,75,000	31.09	Not Applicable
Maneesh Parmar (PAN: AAPPK2648P)				42,75,000	31.09	
Ravindran R (PAN: ADBPR7205A)				4,50,000	3.27	

\$ The proposed allottees have triggered open offer under regulations 3 & 4 of the extant Takeover Code, 2011 and have made Public Announcement dated March 31, 2021 for the same. Subject to completion of open offer formalities, receipt of various statutory approvals and compliance with regulation 31A of the extant SEBI (LODR) Regulations, 2015, the proposed allottees shall be the new promoters of the Company and classified under promoter group category accordingly.

- j) **The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

NIL

- k) **Lock-in Requirements:**

The proposed allottees do not hold any Equity Shares in the Company. Hence the lock-in of pre-preferential allotment shareholding of the proposed allottees is not applicable. Further, the equity shares to be allotted on preferential basis to the proposed allottees shall be subject to 'lock-in' in accordance with the provisions of Regulation 167 of the SEBI ICDR Regulations, 2018.

- l) **Auditor's Certificate:**

Statutory Auditors of the Company, M/s.Mardia & Associates (FRN : 007888S), Chartered Accountants, 1, Valliammal Road, Vepery, Chennai - 600 007 have

NE

KUMBHAT FINANCIAL SERVICES LIMITED

(CIN: L65991TN1993PLC024433)

issued a certificate confirming that the issue of the equity shares is being made in accordance with the requirements of the SEBI ICDR Regulations.

A copy of the certificate is available for inspection by the members on the website of the Company at www.kumbhatfinancialserviceslimited.com and upon Log-in at www.evotingindia.com.

m) **Undertakings:**

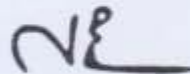
The Company hereby undertakes that:

- i) neither the Company nor any of its Promoters or Directors is a willful defaulter or a fugitive economic offender.
- ii) the Company shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so and that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees.

In terms of Sections 42 and 62(1)(c) of the Companies Act, 2013, approval of the members by way of a Special Resolution is required for issuing the equity shares on preferential basis. Hence, the Board recommends the resolution proposed at Item No. 2, for your approval by way of a Special Resolution.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the resolution, except to the extent of their shareholding in the Company, if any.

For Kumbhat Financial Services Limited



Sanjay Kumbhat
(Managing Director)
(DIN: 03077193)

Date: 31/03/2021
Place :Chennai